

TOP SECRET

12 July 1955

MEMORANDUM FOR: The Honorable Harold E. Talbott
Secretary of the Air Force
Washington, D. C.

SUBJECT : Project AQUATONE/OILSTONE

1. I have recently reviewed with you the present status of the project which carries the CIA code name AQUATONE and the Air Force code name OILSTONE. It has now reached a point at which certain preparations for the active operational phase must be undertaken. The purpose of this memorandum is to set forth my views as to the way in which the project should be handled for the next few months.

2. I understand that several different views have been advanced as to the way in which the operations contemplated in this project should be organized and controlled. It is my hope that the project will continue to be a joint enterprise drawing upon the resources of both the CIA and the Air Force and with both parent organizations sharing in its control and direction. Within this very general formula, a number of alternative arrangements would be possible and the problem of organization should continue to receive close attention from the CIA and Air Force officers who are collaborating on the planning of the project. I question, however, whether their planning has yet reached the stage where far-reaching and final decisions are either possible or necessary. With this in mind, I suggest that certain steps be taken now which will permit the necessary preparation for operations to go forward but will still leave open the more difficult organizational decisions until operational planning is further advanced and the tasks to be performed under this project are better defined. The immediate steps I propose are outlined in the following paragraphs. Their proposal is more fully discussed in the Annex attached hereto.

3. The development and procurement of the project's weapons system is well advanced and is progressing in a satisfactory manner. Although one or two difficult decisions remain to be made in this area, I believe that these can be handled through the existing channel between the Staff of the Senior Project Officer and the Offices of the Deputy Chief of Staff, Development, and the Deputy Chief of Staff, Materiel. No new arrangements for this purpose appear to be required at this time.

NOTES
This material contains information affecting the national defense of the United States within the meaning of the espionage laws, Title 18, USC, Sec. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

Approved For Release CIA-RDP62B00844R000200220014-4

TOP SECRET

4. The active preparations, other than development and procurement, which must now be undertaken (and many of which are already in progress) fall under the following four headings:

- a. Operational planning.
- b. Logistic planning and support.
- c. The recruitment (from the CIA, Air Force and elsewhere) and training of personnel.
- d. The assignment and physical modifications of cargo aircraft required for the support of operations.

5. My suggestions for immediate action to facilitate the above activities may be summarized as follows. The four types of action are discussed more fully and the need for each is explained in the Annex.

a. That the joint planning staff already in existence be strengthened by the assignment of a senior Air Force Officer to serve as Deputy to the Senior Project Officer and to share the responsibility for all planning and preparatory activities, and that the staff should be directed to prepare full operational, logistical, and administrative plans for final review by this Agency and the Air Force at a later date;

b. That project officers be designated or maintained in the Offices of the Deputy Chiefs of Staff most concerned with this project (the Chief of the Special Activities Branch, Subsidiary Plans Division, who is the normal point of contact with the CIA, might perform this function for the Deputy Chief of Staff, Operations), and that these officers together constitute an informal Air Staff Task Force in support of the project;

c. That staffing go forward on the basis of a mutually agreed Table of Organization; and

d. That the responsibility for the provision and operation of support aircraft be assigned to the appropriate element of the Air Force and that, after coordinated review of the requirements for such aircraft, any necessary physical modifications be undertaken.

6. Other kinds of preparatory action will be going forward concurrently with the four which appear to require facilitating action at this time and have therefore been singled out for discussion here. Overseas bases will be surveyed and a preliminary selection will be made. Cover stories will be worked out. Preliminary approaches will be made where necessary to foreign governments. In the meanwhile, the whole weapons

TOP SECRET

Approved For Release : CIA-RDP62B00844R000200220014-4

system will be undergoing tests in the light of which the schedule and possibly the operational concept may have to be modified. By 1 November, which I have suggested as the target date for the completion of planning and other preparatory activities, we should have before us maturely conceived and well thought through proposals covering both the contemplated mode of operation and the whole matter of organization. We will then have a far more solid basis than now for final determinations.

ALLEN W. DULLES
Director

Attachment -
Annex A

Approved For Release : CIA-RDP62B00844R000200220014-4

TOP SECRET

TS-103625
Copy 1 of 6